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Message Text

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21
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 SAM-01

OMB-01 COME-00 EB-07 LAB-04 SIL-01 /083 W
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R 231124Z APR 76
FM AMEMBASSY OSLO
TO AMEMBASSY LISBON
INFO SECSTATE WASHDC 1584
AMCONSUL HAMILTON

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E.O. 11652: N/A
TAGS: ENIV, EGEN, ELAB, NO, PO
SUBJ: TIMEX DISPUTE IN PRIME MINISTER'S CONVERSATION WITH DIRECTOR OF TIMEX

REFS: (A) OSLO 1663; (B) LISBON 2287

1. TOROLF FAA, SECTION CHIEF RESPONSIBLE FOR PORTUGAL AT THE NORWEGIAN FOREIGN MINISTRY, ADVISES THAT NORWEGIAN PRIME MINISTER OLDVAR NORDLI MET WITH CHAIRMAN OF TIMEX BOARD MARTIN SIEM WHO RESIDES IN U.S. ON APRIL 8TH TO DISCUSS THE SITUATION OF THE TIMEX PLANT IN PORTUGAL. A MAJORITY OF SHARES IN TIMEX ARE OWNED BY NORWEGIAN SHIPOWNER FRED. OLSEN.

2. ACCORDING TO RAA THE PRIME MINISTER GAVE AN ACCOUNT OF THE ECONOMIC
COOPERATION BETWEEN NORWAY AND PORTUGAL. HE STATED THAT THE NORWEGIAN/PORTUGUESE MIXED ECONOMIC COMMISSION MAY ALSO BECOME A FORUM FOR DISCUSSING CONCRETE INDIVIDUAL CASES. NORDLI ALSO STRESSED THAT IT IS MOST DESIRABLE AT THIS DELICATE STAGE OF PORTUGUESE DEMOCRATIC DEVELOPMENT THAT PRIVATE FIRMS DO THEIR BEST TO MAINTAIN EMPLOYMENT TIMEX SHOULD, THEREFORE, SHOW A "POSITIVE UNDERSTANDING" AND NOT DO ANYTHING TO COUNTERACT NORWAY'S OFFICIAL
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ASSISTANCE OR POLICIES. THE PRIME MINISTER WAS NOT

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INFORMED OF PURTUGUESE LABOR MINISTER ROSA'S LUNCH
WITH NORWEGIAN CHARGE EDWARDSEN ON APRIL 7 (REFTEL B)
UNTIL AFTER HIS MEETING WITH SIEM. ALTHOUGH IN VIEW
OF SETTLEMENT PORTUGUAL (ROSA) DID NOT REQUEST ANY SPECIFIC
NORWEGIAN ASSISTANCE, NORWAY NOW CONSIDERS ITSELF
OFFICIALLY INVOLVED.

3. SIEM EMPHASIZED THAT TIMEX WAS AWARE OF THE IMPORTANCE
OF MAINTAINING THE HIGHEST POSSIBLE EMPLOYMENT IN A
PERIOD WHERE PORTUGAL IS HARD HIT BY UNEMPLOYMENT.
HE SAID THAT HE WAS ALSO AWARE OF THE SENSITIVE
QUESTION OF MULTINATIONAL OPRATIONS IN PORTUGAL,
ESPECIALLY JUST PRIOR TO THE PARLIAMENTARY ELECTIONS.
SIEM BELIEVED THAT THE DIFFICULT EMPLOYMENT PROBLEMS
IN CONNECTION WITH THE SERIOUS MARKET CONDITIONS FOR
THE SALE OF WATCHES COULD BE SOLVED IN COOPEATION
WITH THE PORTUGUESE AUTHORITIES.

4. COMMENT: TOROLF RAA, CONFIRMED
THE AGREEMENT TO TEMPORARILY RESOLVE THE TIMEX DISPUTE
AS OUTLINED IN REFTEL B. ACCORDING TO RAA THE
TEMPORARY AGREEMENT WILL LAST UNTIL JUNE 30 AND NORWAY
WILL CONTINUE TO MAINTAIN AN "ACTIVE INTEREST" IN THE
LONG-TERM SETTLEMENT OF THE DISPUTE. RAA
ALSO MENTIONED THAT A DELEGATION FROM NORWAY'S EXPORT
COUNCIL HAD JUST RETURNED FROM PORTUGAL WHER IT
DISCUSSED THE BUILDING OF A FACTORY IN PORTUGAL FOR
THE MANUFACTURE OF PREFABRICATED HOUSING.
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